

UNITED STATES SECURITIES AND EXCHANGE COMMISSION



In the Matter of: )  
 ) File No. B-03221-A  
LBRY )

WITNESS: Joshua Finer  
PAGES: 1 through 293  
PLACE: Securities and Exchange Commission  
New York Regional Office  
200 Vesey Street, 4th Floor  
New York, New York 10281  
DATE: Wednesday, June 12, 2019

The above-entitled matter came on for a hearing,  
pursuant to notice, at 9:42 a.m.

Diversified Reporting Services, Inc.

(202) 467-9200

1 see that?

2 A Uh-huh.

3 Q Do you recognize Exhibit Number 3?

4 A I do.

5 Q What is it?

6 A It is my term sheet.

7 Q Is this term sheet something that was  
8 presented to you when you first started at  
9 LBRY?

10 A Yes.

11 Q And your title is CGO; is that right?

12 A It was Chief Growth Officer, but as  
13 you see, it says Chief Operating Officer there.  
14 I think there was a little bit of indecision  
15 about what exactly I was going to be.

16 Q And what does a Chief Growth Officer  
17 do?

18 A Tries to acquire users for the  
19 platform -- I would say -- would be the primary  
20 goal.

21 Q And why is that a goal of LBRY?

22 A Because without users, there would be  
23 no marketplace.

24 Q Why does LBRY have an interest in the  
25 existence of a marketplace?

1           A     There's a belief that the current  
2     marketplaces have some significant problems.

3           Q     And so LBRY was trying to create this  
4     marketplace and needed users for the  
5     marketplace?

6           A     Yes, we -- we wanted people that were  
7     interested in a better marketplace.

8           Q     And so one of the things under the  
9     bullets here is, "Creating, managing and  
10    progressing key growth metrics".

11                  Do you see that?

12           A     Yes.

13           Q     What metrics did you use in your job?

14           A     Ones like website visits, downloads  
15    of software, pieces of content consumed. This  
16    is something that has grown over time,  
17    certainly.

18           Q     I'm sorry, you said website visits,  
19    pieces of content consumed. And there was a  
20    second one. What was that?

21           A     Downloads of the software. There  
22    really are a lot of different metrics we watch.

23           Q     When you say downloads of software,  
24    what software are you referring to?

25           A     The LBRY software package. "Client",

1 I guess you could call it.

2 Q Is that the software application?

3 A Yes.

4 Q So the LBRY application, is that the  
5 interface between a user and the protocol?

6 A Yes, the primary one.

7 Q All right. Is there another  
8 interface that users can interact directly with  
9 the protocol?

10 A Early users would be using the  
11 command-line software. Users a little bit  
12 later were using the GUI version of the  
13 software. So there were multiple versions, and  
14 it was constantly being updated, as it is  
15 today.

16 Q And so "GUI" stands for graphical  
17 user interface?

18 A Correct.

19 Q And when you say early users used the  
20 command line --

21 A Uh-huh.

22 Q -- when did the GUI get introduced?

23 A I'm not sure of the exact date. I --  
24 I'm not sure of the exact date.

25 Q And how did you track downloads of

1 it was absolutely not a primary focus.

2 Q And why is that?

3 A Because we set out to build a great  
4 product, and LBC was just one component of the  
5 system that was necessary to make it function.

6 Q It was the only way in which -- you  
7 described beforehand -- that LBRY was going to  
8 make money from its business operations,  
9 correct?

10 A Well, we reserved this allocation of  
11 it -- this asset for ourselves. And should we  
12 accomplish our mission and create a useful  
13 product, then that asset could then be sold at  
14 a later date for money. That was the theory.

15 Q Well, let me jump to a new document  
16 here.

17 (SEC Exhibit No. 5 was  
18 marked for identification.)

19 BY MR. MOORES:

20 Q You actually talked about building a  
21 great product. And what product is that?

22 A New LBRY product, new LBRY browser --  
23 I mean, LBRY.

24 Q So is that the application?

25 A Yes, the LBRY application.

1 Q Is that the protocol?

2 A The protocol and the application, I  
3 would consider our product.

4 Q So I'm handing you what's been marked  
5 as Exhibit Number 5. This is a multiple-page  
6 exhibit, Bates Number LBRY 000560. And the top  
7 e-mail in the string is from Reilly Smith --  
8 R-e-i-l-l-y -- to Jeremy Kauffman, dated August  
9 7, 2017.

10 I'd like to draw your attention to  
11 sort of the last e-mail in the string on Bates  
12 Page ending 562. It's an e-mail from yourself.  
13 And the first sort of star says, "Open beta  
14 social media".

15 Do you see that?

16 A Uh-huh.

17 Q The subject line of the e-mail is --  
18 on the first page is just, "RE: Last week".

19 A Uh-huh.

20 Q Is this a practice at LBRY to send  
21 e-mails around describing what work you've  
22 done, and what work you're going to do?

23 A Correct.

24 Q And when was that practice adopted?

25 A Very beginning, as far as I remember.

1 Jack Robinson, I think we've already talked  
2 about today. Do you know who is  
3 E-u-k-r-e-i-g-n?

4 A I believe that's Lex, you mentioned  
5 before.

6 Q Do you know who Job Evers is?

7 A That's a previous employee.

8 Q Of LBRY?

9 A Yes.

10 Q Do you know who Shyba -- S-h-y-b-a --  
11 is?

12 A Yes.

13 Q Who is that?

14 A He's Victor Shyba. He's a contractor  
15 in Venezuela -- Brazil.

16 Q Contractor for whom?

17 A For LBRY.

18 Q So LBRY pays for his work?

19 A Yes.

20 Q Who is Lyoshenska, L-y-o-s-h-e-n-k-a?

21 A That's Alex Grintsvayg's handle, our  
22 CTO.

23 Q I think we saw Kurokawa earlier on  
24 e-mails?

25 A Uh-huh.

1 Q That's a LBRY employee, correct?

2 A Yes, former.

3 Q You mentioned a Jimmy Kiselak?

4 A Uh-huh, yes.

5 Q And he was the LBRY founder; is that

6 right?

7 A Yes.

8 Q Do you know who Hackrush01 is?

9 A He is an Indian intern named Amit.

10 Q So an intern at LBRY?

11 A Correct.

12 Q Who's Alex Leibowitz?

13 A He's someone who worked for us for a

14 short time, and contributes from time-to-time.

15 Q Who's DaveA50?

16 A I do not know.

17 Q Who is Tzarebczan?

18 A Yeah, that's Tom. He's another LBRY

19 employee.

20 Q And that's T-z-a-r-e-b-c-z-a-n?

21 A Yes.

22 Q And KauffJ, is that Jeremy Kauffman?

23 A Correct.

24 Q Do you know who Osikin98 is?

25 O-s-i- --



1 A I do not.

2 Q -- k-i-n98?

3 A I do not.

4 Q Do you know who -- I think we talked  
5 about Akinwale?

6 A Yes, he was an employee -- or is an  
7 employee in Nigeria.

8 Q So that's the top 14 contributors to  
9 LBRY by commits; is that correct?

10 A Yeah, for that specific repo.

11 (SEC Exhibit No. 14 was  
12 marked for identification.)

13 BY MR. MOORES:

14 Q What's a daemon?

15 A That's stretching my technical  
16 limits, but it's a piece of software that runs  
17 in the background essentially to do something.

18 Q Does LBRY have a daemon?

19 A Yes. It's a core part of the  
20 software that runs and handles functions -- is  
21 my understanding.

22 Q That's a necessary part of this?

23 A It's like a very core part of it,  
24 yes. There are multiple important parts to  
25 LBRY. Each one has a repo.

1 BY MR. MOORES:

2 Q What are those important parts to  
3 LBRY's business?

4 A The -- the various components of the  
5 software is all I mean. I mean, to look at any  
6 one of them would be an incomplete picture.

7 Q I'm going to hand you what's been  
8 marked as Exhibit Number 14.

9 A Desktop.

10 Q It is a seven-page document, and at  
11 the top it says, "Contributors to  
12 LBRYIO/LBRY-Desktop, GitHub". Do you see that?

13 A Yes.

14 Q And the dates, actually, are March  
15 13, 2016, through June 11, 2019. Do you see  
16 that?

17 A Yes.

18 Q Do you know what this repo is for?

19 A This is the one that I think I  
20 previously told you was LBRY App. At some  
21 time, it was renamed to LBRY Desktop to avoid  
22 confusion.

23 Q So looking at the contributors,  
24 there's a Sean Yesmunt?

25 A Uh-huh.

1 represent from January through March 2018?

2 A It was the proceeds of selling LBC.

3 Q And there was a sale in April to

4 June, the 2nd quarter of 2018, too?

5 A I believe that was from Flipside

6 Crypto.

7 Q Then, in the fourth quarter, October  
8 to December of 2018, there's \$813.13.

9 Do you see that?

10 A I do.

11 Q What is that?

12 A That's probably from a -- we have a  
13 merchandise store with LBRY and various items  
14 or -- that's the only thing I can think of that  
15 that would come from.

16 Q Was that the first time that LBRY  
17 started selling merchandise?

18 A I -- of that sort, yes.

19 Q And the first time that LBRY had  
20 generated income from merchandise sales?

21 A From promotional product sales.  
22 People wanted hats and T-shirts and things like  
23 that.

24 Q In expenses --

25 A Uh-huh.

1 that. It says, "LBRY, Inc., reserves the right  
2 to do whatever it wants with these credits at  
3 any time to be deployed in the best interests  
4 of LBRY, Inc. However, no one believes in LBRY  
5 protocol more, or has more incentive in its  
6 success than LBRY, Inc." Do you see that?

7 A I do.

8 Q Why does LBRY have incentive for its  
9 success?

10 A Why do we have incentive for  
11 success? -- I don't know exactly what they  
12 meant there, but since we're the creators of  
13 the protocol, I mean, I think we would have the  
14 most incentives, like, dedicating our lives and  
15 time to this. People are very passionate about  
16 it at the company.

17 Q And LBRY holds 100 million LBC?

18 A Yes, and if, you know, we can  
19 accomplish our goals down the road, then that  
20 could become valuable, but, you know, we had  
21 some other plans of making money in the mean  
22 time, as well.

23 Q There's a reference in two paragraphs  
24 down with minimizing market influence. Do you  
25 know what that refers to?

1 required ownership over a pool of credits to  
2 maintain their exchange services".

3 A Yes.

4 Q So what exactly is ShapeShift?

5 A ShapeShift is a service to let you  
6 convert one crypto to another.

7 Q And why did they need a pool of LBC?

8 A I don't know for sure, but they  
9 contacted us and said they needed it to make  
10 their service operational.

11 Q Okay. Why did LBRY sell from the  
12 Operational Fund 100,000 credits to ShapeShift?

13 A Because they came to us and asked for  
14 it.

15 Q Did it help LBRY's mission?

16 A Absolutely.

17 Q How?

18 A It lets publishers or users have a  
19 more flexible way of acquiring LBRY credits to  
20 use the platform.

21 Q It says in the next sentence, "These  
22 credits market were sold at near-market rates".

23 Do you see that?

24 A I do.

25 Q Did you write that?

1 right?

2 A I believe you're right.

3 Q And was that the first time that  
4 people who were invited to the beta would  
5 receive LBC?

6 A I'm not sure. I'm not -- I'm not  
7 positive.

8 Q Before then, was it just that the  
9 people who were testing would receive the LBC?

10 A It was a bit more closed. Before, we  
11 didn't feel comfortable opening it up because  
12 there was still some issues -- usage issues.

13 Q What do you mean by "usage issues"?

14 A It just wasn't as easy to use as we  
15 would like it to be.

16 Q And in the second quarter of 2017,  
17 was the beta still closed?

18 A I believe so.

19 Q And "closed" means that if a person  
20 wanted to download the software, they would not  
21 be allowed to, unless they received an  
22 invitation?

23 A The GUI version was invite only, yes.

24 Q On the second page, under Operational  
25 Funds, it says, "The LBRY will move a small

1 Q Approximately, how much did LBRY  
2 raise in the third quarter of 2017 from selling  
3 LBC on the --

4 A I don't know the breakdown difference  
5 between '17 and '18, but I know the collective  
6 amount in the time period. I don't know the  
7 exact number in the fourth quarter.

8 Q How much do you understand that was  
9 sold?

10 A It was probably in the neighborhood  
11 of six million LBC.

12 Q Six million LBC, with what value?

13 A At various values. Sold for Bitcoin  
14 at that time, not for dollars.

15 Q How much did that equate in dollars,  
16 if you know?

17 A I don't know the exact number. I've  
18 always looked at it collectively. I don't  
19 know.

20 Q Did LBRY hold Bitcoin for any length  
21 of time before converting it to cash after a  
22 sale of LBC?

23 A Yeah, it was -- it was around for  
24 some period of time.

25 Q Approximately how much?

1 (SEC Exhibit No. 29 was  
2 marked for identification.)

3 BY MR. MOORES:

4 Q Josh, I'm handing you what's been  
5 marked as Exhibit Number 29. It is a two-page  
6 spreadsheet, with -- at the top, it says, "30  
7 LBC Credits Exchange Review, LBRY 00314".

8 Do you have Exhibit 30 in front of  
9 you?

10 A I do.

11 Q 29, sorry. Do you have Exhibit 29 in  
12 front of you?

13 A I do.

14 Q Okay. So this document was produced  
15 to us by LBRY. Have you seen it before?

16 A I have.

17 Q And does this accurately summarize  
18 the trades that LBRY performed involving LBC  
19 through both the Poloniex and Bittrex accounts?

20 A Yes.

21 Q Is there any trades involving LBC on  
22 Poloniex or Bittrex that are not listed on  
23 Exhibit 29?

24 A No.

25 Q All right. Now, when's the first



1 date that LBRY sold LBC on Bittrex?

2 A Looking at this, July the 5th, 2017.

3 Q And when was the first time that it

4 sold LBC on Poloniex?

5 A January, 2018.

6 Q At the bottom of that list, it looks

7 like it says --

8 A Oh, I'm sorry. Yes, July 5, 2017. I

9 was looking at the wrong end of it.

10 Q Is that accurate to your memory, that

11 on July 5, 2017, right after July 4th, you

12 started selling LBC on the market?

13 A I don't recall exactly, yes.

14 Q And I should take a step back. Did

15 you actually perform the trades --

16 A Yes.

17 Q -- on behalf of LBRY?

18 A Yes.

19 Q In both the Poloniex and the Bittrex

20 accounts?

21 A Yes.

22 Q All right. Did anybody else perform

23 any trades of LBC through the -- your accounts?

24 A No.

25 Q And why were you the one to perform

1 the trades?

2 A Because I had the most prior  
3 experience in using the exchanges and doing it  
4 in a safe way.

5 Q Whose idea was it to sell the LBC on  
6 the exchange?

7 A I don't recall it being one specific  
8 person's idea necessarily. I don't remember  
9 the exact discussion.

10 Q Was there a discussion about whether  
11 to sell LBC on the exchanges?

12 A Yes, I imagine there was.

13 Q You imagine, or you recall?

14 A I don't really remember the  
15 discussion, but it seems that we would have  
16 talked about it.

17 Q How did it come to pass that you  
18 started trading LBC on the exchanges that  
19 morning?

20 A To raise funds for the company.

21 Q But did someone direct you to make  
22 the sales?

23 A I mean, it was not something I chose  
24 to do on my own volition. It was a company  
25 decision.

1 Q And who at the company participated  
2 in that decision?

3 A Management at the time. The prior  
4 mentioned management.

5 Q Can you just identify who that was?

6 A Sure. Jeremy Kauffman, Alex  
7 Grintsvayg. I'm trying to think at that time  
8 if it was just me, or if there was -- I don't  
9 think Natalie was there yet. It was more than  
10 likely the three of us. There might have been  
11 one more person involved. I'm trying to think  
12 who was there at the time. Is Mike Lyon still  
13 there? I don't know. I'm not positive on the  
14 timeline. A lot has gone on.

15 Q What considerations were made during  
16 the decision to trade LBC on the exchanges?

17 A It's whether -- it was something that  
18 we wanted to do.

19 Q What were the factors to determine  
20 whether or not you wanted to do it?

21 A The company wanting to live on and  
22 continue working on our goals. I don't really  
23 have a concrete answer other than that.

24 Q Why July 5th?

25 A I don't know that there's any

1 significance to the date that I remember.

2 Q Had there been any milestones that  
3 had been achieved in the project after which a  
4 decision was made to sell on the exchanges?

5 A I don't remember the motivation for  
6 doing it, other than to raise money for the  
7 company. I don't think there would be any  
8 other motivation.

9 Q According to Exhibit 29, LBRY stopped  
10 selling LBC in about August 8, 2017, for a  
11 period of time -- is that right -- under  
12 Poloniex?

13 A I'm looking here. Yeah, it looks  
14 that way.

15 Q Now, why did LBRY stop selling in  
16 August?

17 A I think we probably just picked a  
18 round amount to sell. Like, said we're going  
19 to sell this much and it was done.

20 Q And why did LBRY sell over a period  
21 of days, as opposed to all in one day?

22 A It's just something that I've learned  
23 in trading. You know, you just want to do  
24 things in manageable, small doses. It just  
25 seemed like a -- a more sensible process to me.

1 Q Was there enough volume in the  
2 marketplace at that time to have sold a million  
3 LBC all in one day?

4 A I don't know.

5 Q Was that a consideration?

6 A We certainly didn't want to harm the  
7 market.

8 Q What do you mean by "harm the  
9 market"?

10 A Before we had a chance to develop  
11 what we wanted to develop, we wanted to let the  
12 ecosystem develop on its own a bit more.

13 Q On Exhibit 29, in the sales on --  
14 through the Bittrex account --

15 A Uh-huh.

16 Q -- they start back up in November of  
17 2017. Do you see that?

18 A I do.

19 Q Why did LBRY start selling again LBC  
20 into the marketplace in 2017, November?

21 A To raise funds for the company. I  
22 mean, that's the only reason we sold.

23 Q And LBRY continued to sell through  
24 January 28, 2018; is that correct?

25 A That's correct.

1 Q And was there any other reason --  
2 other than you said, to raise money for the  
3 company -- that it was selling LBC on the  
4 exchanges?

5 A That was the reason.

6 (SEC Exhibit No. 30 was  
7 marked for identification.)

8 BY MR. MOORES:

9 Q Josh, I'm handing you what has been  
10 marked as Exhibit Number 30. It is a  
11 multiple-page document. It does not have a  
12 Bates number; but on the top, it says,  
13 "Quarterly Credit Report, First Quarter 2018,  
14 LBRY".

15 Do you see that?

16 A I do.

17 Q In the summary -- did you write the  
18 summary?

19 A I did not.

20 Q Do you provide the underlying numbers  
21 to -- for the report?

22 A I did.

23 Q In the summary, it says, "We will  
24 continue to incentivize new users and other  
25 beneficial behavior". Do you see that?

1 (SEC Exhibit No. 36 was  
2 marked for identification.)

3 BY MR. MOORES:

4 Q Josh, I'm handing you a document,  
5 which has been marked as Exhibit Number 36. It  
6 is the quarterly credit report for third  
7 quarter 2018 LBRY, and I'll direct your  
8 attention to the second page. Under  
9 Operational Fund, it says, "LBRY issued 38,000  
10 LBC to employees".

11 Do you see that?

12 A I do.

13 Q How did it issue LBC to employees?

14 A We instituted a program, where people  
15 could have \$50 per month subtracted from their  
16 after-tax wages, and it would be provided to  
17 them in LBRY credits.

18 Q Who proposed that plan?

19 A That was a proposal by Jeremy.

20 Q And did he explain why he made that  
21 proposal?

22 A He said that he wanted people to have  
23 more engagement, and have their own credits to  
24 be able to use the systems, rather than always  
25 having to ask someone to send them credits,

1 essentially.

2 Q What was the purpose of the -- sorry.

3 Previous to this plan, when employees  
4 needed credits to utilize or test the software,  
5 what was the policy?

6 A They would often have to ask myself  
7 or Grin, or someone with access to the central  
8 wallets and it became a little bit of a chore.  
9 So the thought was that they could help  
10 themselves, and also help spread the ecosystem  
11 to others: Say, Why don't you try this. You  
12 know, here's a little LBC. Watch a video,  
13 start using our platform. Trying to help the  
14 employees evangelize more.

15 Q And so employees had to purchase the  
16 LBC with post-tax salary income?

17 A If they opted into the program, it  
18 was in the QuickBooks automatically a \$50  
19 deduction of their post-tax earnings, and then  
20 that was sent \$50 worth of LBC at the current  
21 market price.

22 Q And how was the current market price  
23 set?

24 A It was something I looked at, as I  
25 did the task every week -- or every pay period.



1 Q And what -- what price did you get --  
2 from what source did you get the market price?

3 A I typically checked Bittrex, I think.

4 Q Why didn't LBRY just give LBC to its  
5 employees to use on the application?

6 A We -- we did prior to that. I think  
7 this was just regarded as a more systematic way  
8 of letting people obtain it without having to  
9 understand how to use an exchange, or create an  
10 account or some other way.

11 Q So LBRY employees had challenge --  
12 had difficulty accessing LBRY's application  
13 because of the on-boarding process?

14 A No. What I'm saying is that crypto  
15 exchanges are inherently confusing to use. And  
16 if they wanted to acquire LBC, they would have  
17 had to go to a crypto exchange or ask one of us  
18 for it. And this happens repeatedly.

19 (SEC Exhibit No. 37 was  
20 marked for identification.)

21 BY MR. MOORES:

22 Q So the conclusion was to sell LBC to  
23 employees?

24 A That was the decision that was made.

25 Q Josh, I'm handing you what's been

1           A     LBRY Fund was an initiative to fund  
2 people's projects using the LBRY system.

3           Q     And would that be, like, a block  
4 grant or a grant system to somebody?

5           A     There's a website -- a LBRY Fund  
6 website and there's a proposal form. And  
7 someone would make a proposal to us, and say  
8 we're going to build Jelly Beats and we think  
9 this much would help us get started, and we  
10 would consider it. And some of them we would  
11 fund, and other ones, we weren't. And those  
12 are all broken out somewhere.

13          Q     And user engagement at the top --  
14 towards the top of the list, is that incentives  
15 for users to utilize the LBRY application?

16          A     Yes, I believe -- or rather, that was  
17 in-app awards: Your first publish, you've  
18 watched ten videos. You've done this or that,  
19 you get a small amount of LBC in the app.

20          Q     And was -- I guess, why was the LBRY  
21 still sort of incentivizing users and content  
22 providers in Q4, 2018?

23          A     To just continue to onboard more  
24 users, more -- we want more views, more users.  
25 We got to compete with YouTube.

1 (SEC Exhibit No. 38 was  
2 marked for identification.)

3 BY MR. MOORES:

4 Q Josh, I'm handing you what's been  
5 marked as Exhibit Number 38, a multiple-page  
6 document, no Bates Number. At the top, it  
7 says, "Quarterly Credit Report First Quarter,  
8 2019 LBRY". Do you see that?

9 A I do.

10 Q So there was a reference in the top,  
11 which is, "146,289 Operational credits were  
12 used for the LBRY employee LBC purchase  
13 program".

14 Do you see that?

15 A I do.

16 Q Is this referencing that program, by  
17 which employees could set aside \$50 per pay  
18 period to buy LBC?

19 A Exactly.

20 Q And that was sold at market rates?

21 A Yes.

22 Q Under the summary for Community Fund,  
23 it mentions, "Swarm, 400,000 LBC".

24 Do you see that?

25 A Yes, I do.

1 Q What is Swarm?

2 A Swarm is the formalization of the  
3 LBRY Fund program. LBRY Fund was the idea of  
4 our community director, and that was converted  
5 into a more formal program that we referred to  
6 as Swarm with specific guidelines and rules.

7 Q And who set those guidelines and  
8 rules?

9 A Jeremy worked with our community  
10 director, named Julie Sigwart.

11 Q Does Julie work for LBRY?

12 A She does.

13 Q How did LBRY get listed -- how did  
14 LBC get listed on Bittrex?

15 A Way back in 2014, I was very much a  
16 crypto enthusiast, and I knew a lot of early  
17 people in the crypto scene. One of those  
18 people was an early employee of Bittrex, and I  
19 regularly talked to him. And I was updating  
20 him on the LBRY project as we progressed. I  
21 said here's the concept, I said here's the work  
22 we've done. And he said, When the time comes,  
23 we can list you on Bittrex.

24 Q And how did Bittrex -- did you notify  
25 Bittrex that you wanted to be listed -- that

1 LBRY wanted LBC to be listed?

2 A Well, when he said there was a  
3 possibility, I said, yes, I think that that's  
4 part of our ecosystem that we need.

5 Q And when was that?

6 A When did I start talking to him, or  
7 when did it --

8 Q When did you say that LBC -- or LBRY  
9 wants to list LBC on the Bittrex exchange?

10 A Probably, like, early 2017. We were  
11 talking about it, but I was just giving him the  
12 preliminaries on the project.

13 (SEC Exhibit No. 39 was  
14 marked for identification.)

15 BY MR. MOORES:

16 Q Josh, I'm handing you what's been  
17 marked as Exhibit Number 39. It is a two-page  
18 document, beginning Bates Number LBRY 004418.  
19 It's a -- appears to be an e-mail string  
20 between yourself and Bittrex Support, subject  
21 is "Adding LBC", and the date is June 27, 2016.

22 Do you see that?

23 A Yes. And I just said 2017 prior. I  
24 meant early 2016 I started talking to him about  
25 it -- to correct that, please.

1 Q And how long after this e-mail  
2 exchange in late June of 2016 did Bittrex list  
3 LBC?

4 A I don't know the exact date. I  
5 believe it was in July.

6 Q How did LBRY get listed on Poloniex  
7 exchange -- or LBC get listed on the Poloniex  
8 exchange?

9 A Poloniex, the -- the CEO of the  
10 company was at an MIT Bitcoin club meeting  
11 that, I believe, Jeremy and Alex, or one of our  
12 earlier people was at. He actually approached  
13 them and expressed interest in the project,  
14 said that he had read about it, said that he  
15 believed in it, and he would help us get on his  
16 exchange.

17 Q And did that happen about the same  
18 time, in the summer of 2017?

19 A Yeah, I think it was a little bit  
20 after, but it was generally the same time.

21 Q So you had started trading LBC on  
22 Poloniex as of, at least, July 5, 2017,  
23 correct?

24 A That's what the records say, I  
25 believe, yes.

1 Q So at least before July of 2017, you  
2 were -- LBC was on Poloniex?

3 A Yeah, and I do not recall the exact  
4 dates of when each of them were listed. They  
5 were in close proximity.

6 Q So you believe that that happened in  
7 2016, then -- the summer of 2016?

8 A Yes.

9 (SEC Exhibit No. 40 was  
10 marked for identification.)

11 BY MR. MOORES:

12 Q Josh, I'm handing you what's been  
13 marked as Exhibit Number 40. It is an  
14 multiple-page document beginning on Bates  
15 Number LBRY 000970. Do you see that?

16 A I do.

17 Q And it appears to be an e-mail from  
18 yourself to a Rahwa Berhe -- R-a-h-w-a --  
19 sorry, Tiffanie -- B-e-r-h-e -- at Bittrex?

20 A Uh-huh.

21 Q Do you see that?

22 A I do.

23 Q And it's dated March 13, 2018. And  
24 there's an attachment, which is the Bittrex  
25 listing agreement.

1 A Uh-huh.

2 Q And that is part of this exhibit, as  
3 well. And I'd like to draw your attention to  
4 the listing application, which is Exhibit B --  
5 or at least that's what it's titled at the top.  
6 It begins on page ending in Bates Number 976.

7 Who filled out LBRY's listing  
8 application in Exhibit 40?

9 A I filled this out.

10 Q Is there anything on here that you  
11 believe is incorrect?

12 A I would need to look through it.

13 Q Take your time.

14 A It looks accurate to me.

15 Q Looking at the page ending 977.

16 A Uh-huh.

17 Q One of the questions in the form is,  
18 "Currently, the platform is". Do you see  
19 that --

20 A Yes.

21 Q -- towards the bottom?

22 What was your understanding of what a  
23 platform meant in the context of this form?

24 A The LBRY platform. The LBRY  
25 application and protocol.



1 generally. There was only us at that time,  
2 really, in terms of leadership. I'm sure some  
3 of the employees would have supported it  
4 enthusiastically just without necessarily  
5 giving it critical thought.

6 MR. VITO: What was the value  
7 proposition with potential investors on an  
8 equity investment?

9 THE WITNESS: The value proposition  
10 is that LBRY is building a transformative  
11 product that is going to replace the current  
12 way that things are done in digital content.  
13 And if we are able to develop that marketplace,  
14 we're in a position to be to be able to provide  
15 services to the marketplace that will create  
16 substantial revenues.

17 We can help publishers on board. We  
18 can help people convert with the tokens and  
19 potentially have some kind of financial angle,  
20 if we receive the proper licensing. We own the  
21 asset of ten percent of the pre-mine, and if we  
22 were able to do these other things and get the  
23 product to a point of being a widely-used  
24 product down the road, we could potentially  
25 sell that asset for markup fully.

1           So those equity investors would -- if  
2           we were able to sell the company, they would  
3           get a return that way.   If we were able to  
4           produce these consultative revenues, they could  
5           theoretically get a return that way.   And if  
6           we're eventually able to sell enough token,  
7           they could potentially get a return that way.  
8           That was literally the plan from Day 1.

9           BY MR. MOORES:

10          Q       Josh, do you wish to clarify anything  
11           or add anything to the statements you have made  
12           today?

13          A       No.

14               MR. MOORES:   Josh, we have no further  
15           questions at this time.   As I'm sure your  
16           counsel has made you aware, we have subpoenaed  
17           your testimony for a future date.   And we look  
18           forward to speaking with you again at that  
19           date, or at a different mutually-agreeable  
20           date.   And obviously, we'll be following up  
21           with your counsel about that.   We are off the  
22           record at 5:01 p.m. on June 12, 2019.

23               (Whereupon, at 5:01 p.m., the  
24           examination was concluded.)

25                   \* \* \* \* \*